

# INFORMATION BULLETIN

## JOB TRAINING PARTNERSHIP ACT

Number: B97-94

Date: February 19, 1998

Expiration Date: 6/30/99

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TO: SERVICE DELIVERY AREA ADMINISTRATORS  
JTPD STAFF

SUBJECT: STATE WAIVER SURVEY REQUEST

This Information Bulletin provides an update to the two previous state issuances relating to the California State Waiver Plan and requests your input regarding waivers. The Job Training Partnership Act (JTPA) Information Bulletin B97-83 presented a set of guiding principles for performance improvement under waivers. The JTPA Information Bulletin B97-86 presented a proposed model for the measurement of performance. Both strategies were shared with the Department of Labor (DOL) Region IX and the National Office. This Information Bulletin includes a survey **requesting immediate response** by all Service Delivery Areas (SDA) regarding DOL's response to California's proposed model for performance measurement. We understand the California Workforce Association (CWA) requested similar information from SDAs recently, but the state needs your cooperation and additional information in developing the strongest position possible with DOL.

The guiding principles stated in Information Bulletin B97-83 propose that performance increases will apply only to four measures:

- Adult follow-up entered employment rate
- Welfare adult follow-up entered employment rate
- Youth positive termination rate
- Title III entered employment rate at termination

The response from DOL would add "Adult Follow-up Weekly Earnings" and "Adult Welfare Follow-up Weekly Earnings" as additional performance measures for waivers. The attached survey requests your input regarding this proposal. Additionally, if these wage measurements were accepted, which optional waivers would your SDA select? Finally, if the wage measurements were not imposed on the SDAs, would your selection of optional waivers change? If so, how? **Response to these questions is for survey purposes only and in no way commits your SDA to any acceptance of waivers.**

Our next steps will be to respond to DOL's latest proposal to add wage measures. Your responses to our survey will help with that effort. In addition, we have attached a document which we feel makes our strongest case to DOL for excluding the wage performance measures. We plan to send the document to DOL on Tuesday, February 24, 1998. If you have any edits or additional information which you feel might strengthen California's position, please provide these comments with your survey reply.

The state and CWA will share their respective survey results and continue to work toward agreement on a waiver plan for California. Your assistance is needed and greatly appreciated.

Please complete the attached survey and return it to the Job Training Partnership Division by close of business on Monday, February 23, 1998. You may forward all written responses by fax to Bill Burke at (916) 654-8039 or e-mail to **JTPDLIB@EDD.CA.GOV** (Subject line should read: "Waivers Survey").

/S/ BILL BURKE  
Acting Assistant Deputy Director

Attachments

## **RATIONALE FOR EXCLUDING THE WAGE MEASURES AS A PERFORMANCE IMPROVEMENT MEASURE WITH WAIVERS**

California's is requesting waivers to the Job Training Partnership Act (JTPA) to meet a variety of goals, including:

- removing unnecessary administrative burdens
- allowing more cost effective program operation
- removing obstacles to effective partnership within the local area
- promoting improved program outcomes

In California, the majority of the waivers requested remove administrative burdens. In addition, while some of the waivers may allow Service Delivery Areas (SDA) to increase the number of clients served or increase job opportunities, none are directly related to improved wages.

- The three statewide waivers (the combined youth measure, reduced cost categories and the alternate methodology for Title III post-program follow-up) are administrative. These administrative changes should promote efficient management of the program and more effective use of administrative dollars, but have no direct link to job retention or wage outcomes.
- Another waiver allows the use of program income in any title, regardless of the title under which it is earned, is administrative. It has no direct or indirect link to client outcomes. The SDAs might be able to serve more clients, but may not necessarily record better outcomes.
- Excluding persons who transfer to another program for continuation of services from the calculation of the Entered Employment Rate should provide a more accurate measure of the Entered Employment Rate. This rate will probably improve because it will measure outcomes for the appropriate group of clients; however, it will have no effect on wage outcomes.
- Two of the waivers apply specifically to services to youth. These include:
  - waiving the requirement that a youth on-the-job training placement must pay the average adult wage
  - allowing the full range of employability enhancement training to youth regardless of age

These may improve youth outcomes, but since the waiver is directly related to “youth services” by definition it has no relationship to adult follow-up wages.

- The following waivers may actually lower wage outcomes:
  - Stand alone job search assistance will support prompt job placement; however wages may actually be lower because of the more limited intervention by the JTPA program.
  - Excluding Social Security Disability Income as income when determining eligibility for Title II services will allow the program to serve a higher number of disabled clients. Since a disability may be a significant barrier to full integration into the labor market, serving more of these clients is the recommended measurable outcome. The effect on wages from serving a larger segment of this population is unknown. There is certainly no direct link between this waiver and an increase in post-program wages.
- Provision of post-termination training should ultimately increase wages. However, we would argue that this effect will not be seen during the thirteen week follow-up period. Post-termination services are allowable for up to one year and the effect of this intervention on wages will probably not materialize for a minimum of six months. The Welfare-to-Work performance model recommends a six month follow-up design partially for this reason.
- The direct effect of allowing the use of JTPA funds for employment generating activities (EGA) should increase jobs and thus increase placements. We hope the jobs generated would be high wage jobs; however, there is nothing in the waiver itself that implies such an outcome. Wage levels are most directly affected by the structure of the labor market (the economic base) and the supply and demand for qualified workers. Also, the maximum amount of funds allowed for EGA is very small in comparison to the overall funds for JTPA. The net effect while unknown is presumed to be negligible.

**SDA SURVEY**  
**WAGE MEASUREMENT SURVEY**

1. The DOL has proposed adding the wage measurements “Adult Follow-up Weekly Earnings” and “Adult Welfare Follow-up Weekly Earnings” to the set of guiding principles for performance improvement as proposed by the state and SDAs in Job Training Partnership Act Information Bulletin B97-83. What is your response to this proposal by DOL? What specific problems do you foresee in implementing these measurements in your programs?
2. If the proposed wage measurements were adopted as a condition for the acceptance of the waiver plan, which if any of the optional waivers would your SDA choose to implement? (Selection of these waivers is for survey purposes only and will not commit you to any future action.) Please select all waivers that may apply.

<input type="checkbox"/>	Youth Employment Enhancements	<input type="checkbox"/>	Stand Alone Job Search and Work Experience
<input type="checkbox"/>	Employment Generating Activities	<input type="checkbox"/>	Post-termination Services
<input type="checkbox"/>	Exclude transfers from performance calculations	<input type="checkbox"/>	Exclude SSDI from income
<input type="checkbox"/>	Use Program Income for any Title	<input type="checkbox"/>	Youth OJT without adult wage requirement

3. If the proposed wage measurements were **not** adopted as a condition for the acceptance of the waiver plan, what optional waivers would your SDA choose to implement? Please select all waivers that may apply.

<input type="checkbox"/>	Youth Employment Enhancements	<input type="checkbox"/>	Stand Alone Job Search and Work Experience
<input type="checkbox"/>	Employment Generating Activities	<input type="checkbox"/>	Post-termination Services
<input type="checkbox"/>	Exclude transfers from performance calculations	<input type="checkbox"/>	Exclude SSDI from income
<input type="checkbox"/>	Use Program Income for any Title	<input type="checkbox"/>	Youth OJT without adult wage requirement